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PROGRAMME PLANNING AND IMPLEMENTATION

Country, intercountry and global programmes

Assistance to Myanmar

Report of the Administrator

SUMMARY

The present report describes actions taken by the Administrator to implement Governing Council decision 92/26 of 26 May 1992 on assistance to Myanmar. It summarizes the outcome of the resource reallocation review of ongoing fourth cycle projects carried out in collaboration with the Government of Myanmar and the executing agencies during the second half of 1992. This review resulted in the release of $8.4 million by curtailing the activities of several projects. In accordance with the Governing Council decision, the released resources are being applied to high-priority projects with greater impact at the grass-roots level. The report also presents the major findings and recommendations of the evaluation of the fifth country programme undertaken by the Central Evaluation Office (CEO) and highlights the need to restore projects and activities that have been curtailed. On future programming, the report recommends that the sixth country programme be presented at the forty-second session of the Governing Council. The report also outlines a number of areas, including those recommended by CEO, where continuing UNDP technical cooperation will be needed during the transitional period from July 1993-December 1995. An amount of $40 million from the fifth cycle indicative planning figure is proposed to be used to meet these needs.

I. INTRODUCTION

1. In his note on assistance to the Union of Myanmar (DP/1992/63), the Administrator sought Governing Council authorization to approve assistance to Myanmar on a project-by-project basis until the country programme process is resumed. The Governing Council considered this matter at its thirty-ninth session and, in decision 92/26 of 26 May 1992, requested the Administrator to: (a) review with the Government of Myanmar reallocations, as appropriate, of fourth cycle indicative planning figure (IPF) resources; (b) approve personally, from the resources thereby released, high-priority projects likely to have greater impact at the grass-roots level; (c) conduct, through the Central Evaluation Office (CEO), a detailed review of the fifth country programme for Myanmar, including an evaluation of the impact of all projects implemented under it; and (d) present a report, together with recommendations on programming for Myanmar under the fifth programming cycle, to the Governing Council at its fortieth session in June 1993. The Governing Council also deferred further action on the sixth country programme for Myanmar until it had considered and accepted the review and recommendations mentioned above.

2. The present report provides information on the implementation of Governing Council decision 92/26 and presents the Administrator's recommendations on future programming for Myanmar.

II. REVIEW OF ONGOING PROJECTS FINANCED FROM FOURTH CYCLE INDICATIVE PLANNING FIGURE RESOURCES

3. A detailed project-by-project, activity-by-activity, resource reallocation review of all ongoing projects was launched soon after Governing Council decision 92/26 of 26 May 1992 was adopted. The objective was to ascertain the amount of available resources and to determine those which could be released and reallocated to high-priority grass-roots-level projects and activities. The review process entailed consultations with the executing agencies and the Government of Myanmar. With their cooperation, the review was completed rapidly.

4. At the time of the review there were 70 ongoing projects with total budgets of $90,730,000. Of this, $53,073,000 had been spent, leaving $37,656,000 of project budget allocations for the 1992-1994 period. Fourth cycle IPF resources carried over to the fifth cycle amounted to only $32,876,000; thus $4,781,000 of project allocations would have had to be covered under the fifth cycle IPF. The review concluded that 18 projects should be continued without any change in their budgets, since some were about to be completed, some already had fully committed resources through contractual obligations and others had clearly "grass-roots-level" orientation. The remaining 52 projects could release $13,212,000 out of their budgets. Deducting first the amount of $4,781,000 in order to avoid any encumbrance on the fifth cycle IPF, resources that could be released amounted to $8,431,000. Two projects funded from non-IPF resources were also suspended at their current level, releasing $917,024 in unspent funds. The review also found that of the 70 ongoing projects 27 would be completed in 1992, 41 were expected to be completed in 1993 and only 2 would continue into

1994. Thus, all the resources carried over from the fourth programming cycle were projected to be spent by the third quarter of 1994.

5. With the concurrence of the Government of Myanmar and the executing agencies, budget revisions of the 70 ongoing IPF-funded projects were completed in October 1992.

III. APPROVAL OF NEW HIGH-PRIORITY PROJECTS

6. In consultation with the Government, it was decided that the released fourth cycle resources of $8,431,000 should be applied to high-priority projects likely to have greater impact at the grass-roots level, as called for in Governing Council decision 92/26. The four broad themes chosen for this purpose were: national prevention and control of the acquired immune deficiency syndrome (AIDS); dryland zone development (fuelwood, agro-forestry, community health and education); environment and forestry (community-based sustainable development); and integrated agriculture, community health and education in border areas. The Administrator personally reviews the project proposals when submitted by the Government of Myanmar and approves them, as appropriate. A report on requests received and the status of their approval will be made available at the June 1993 session of the Governing Council.

IV. DETAILED REVIEW OF THE FIFTH COUNTRY PROGRAMME

7. A team led by two expert consultants was engaged by CEO from October to December 1992 to conduct the review of the fifth country programme for Myanmar. The evaluation team reviewed relevant documentation, met with executing agencies and travelled extensively in Myanmar visiting project sites. It held extensive discussions at various levels with project officials, beneficiaries, local community leaders, officials of the Government, executing agencies and UNDP, as well as the local diplomatic community. The evaluation team selected a representative sample of 51 projects for in-depth review; these projects accounted for 79 per cent of fifth country programme resources. The team reviewed the design, implementation process, project results and project impact and also reviewed the fifth country programme as a whole. The two-volume report, available to all member States on request, explains the rationale behind the selection of the 51 projects reviewed and sets out recommendations that have a bearing both on UNDP-wide issues and on items specific to Myanmar and to Governing Council decision 92/26.

8. The major findings and recommendations of the review in Myanmar are as follows:

(a) The fifth country programme was well-designed, the expected achievements in its chosen fields of concentration were appropriate and it was executed effectively. The programme was highly commended when it was approved by the Governing Council in February 1987. In its reformulation following the mid-term review of 1989, it responded well to the technical cooperation needs and priorities of Myanmar in light of socio-economic developments. Overall, the country programme was appropriately and effectively implemented even under conditions of change and stress. However, there were several major externally

induced and politically based interruptions: the far-reaching economic changes introduced by the Government in 1987 and 1988; the civil unrest of 1988 when United Nations international project staff were evacuated from the country; and cessation of bilateral and some multilateral programmes in 1988. This caused a system overload, reduced cost-effectiveness of programme management and adversely affected programme delivery. Moreover, Governing Council decision 92/26 resulted in an abrupt change in the UNDP programme focus. Overall there were considerable direct and indirect costs of the resulting discontinuity;

(b) The fifth country programme, though not consciously aimed at grass-root-level impact, encompassed a significant number of projects which directly or indirectly achieved this objective;

(c) Of the 51 projects reviewed in-depth by the evaluation team, 28 were judged to have been successful in their outcome, 5 were clearly unsatisfactory and 18, some of them not yet completed, were having varying degrees of success. The evaluation also drew attention to under-delivery and project pipeline backlog; prolonged project duration; small project proliferation; monitoring inadequacies; and deficiencies in project design and synchronization of inputs. This exercise reinforced the need for a programme approach, clear definition of programmes and themes for a prioritization of objectives, sequencing of individual projects to maximize their impact and clear identification of links with related activities;

(d) The future UNDP programme should focus more on regional, area development and poverty alleviation projects and on further strengthening of economic reform. The evaluation also recommended that funds need to be quickly restored to ongoing projects that had been adversely affected so as to achieve the intended objectives and maximize their impact.

9. The report and its findings were shared with the Government of Myanmar and relevant United Nations agencies for comments.

10. The Administrator has taken careful note of the findings and recommendations of the evaluation team. In accordance with Governing Council decisions on future programming for the country, appropriate measures will be taken to implement these recommendations wherever practicable.

V. RECOMMENDATIONS FOR FUTURE PROGRAMMING

11. The CEO in-depth evaluation of the fifth country programme indicated clearly that UNDP assistance in selected fields should be continued. It also highlighted a number of implementation problems that needed to be remedied. It will, however, take some time to address these problems and for the Government of Myanmar to develop the sixth country programme for submission to the Governing Council. As noted above, the resources carried over from the fourth cycle will finance ongoing fifth country programme activities only up to the end of 1994. There is, therefore, an urgent need to programme and commit resources in support of continued assistance in priority areas, including continuation and enhancement of technical cooperation at the grass-roots level. Accordingly, the Administrator proposes, as an interim measure, that a portion of fifth cycle IPF resources be released for programming along the lines set out below.

12. The first one and a half years (January 1992 to 30 June 1993) of the fifth cycle will have utilized only fourth cycle IPF resources. The Administrator therefore proposes that:

(a) For the subsequent two and a half years (July 1993 to December 1995), $40 million of fifth cycle IPF resources be allocated (see para. 22);

(b) Successful projects and/or activities which have been curtailed as a result of reallocating fourth cycle IPF be restored on a selective basis in consultation with the Government of Myanmar;

(c) A review of the ongoing programme (comparable to a mid-term operational review) be conducted in the third quarter of 1994. The results of the review and a needs assessment exercise will provide the basis for the formulation of the sixth country programme; and

(d) The sixth country programme be presented to the forty-second session of the Governing Council in June 1995.

13. Future programmes will build on experience gained from the use of the fourth cycle balance of $8.4 million. They will draw upon the lessons identified by the CEO evaluation and their recommendations. As far as area development is concerned, programmes will be based on areas accessible to international personnel.

14. During the "transitional" period (July 1993 to December 1995), UNDP technical cooperation will concentrate on priority areas that will enhance human development objectives for the benefit of the people of Myanmar. In essence, it will cover poverty alleviation and sustainable development and will facilitate the enabling environment and policy reform needed to encourage market-based growth and income generation. A two-pronged approach will be followed: (a) to target local communities and render assistance for integrating poverty alleviation measures, community management of natural resources and income generation; and (b) to address social and economic infrastructure constraints to facilitate and support achievement of human development goals at the community and village level.

15. The programmes proposed hereunder will address the priorities set out in Governing Council decision 90/34 of 23 June 1990, within the framework of sustainable human development. Thus, during the transitional period, UNDP assistance will come under four themes: poverty alleviation; sound and sustainable development of natural resources; creation of an appropriate enabling environment for economic reform; and prevention of the human immunodeficiency virus (HIV) and AIDS.

Poverty alleviation

16. This priority area will include activities at the township and village level, through promotion of sustained economic growth and income generation, entailing a dual strategy of working directly with local communities and the simultaneous build-up of policy and operational capacities at the national level - through non-governmental organizations (NGOs) and the private sector.

Three major area development programmes and a cross-sectoral programme in education are under consideration:

(a) Dry zone development programme. This will include such components as community development, income generation, improved education methods and facilities, increased availability of health services, increases in production and productivity, fuelwood and community forestry plantations and water resources development for sanitation and agricultural production;

(b) Human development. Areas affected by years of armed conflict and inhabited by disadvantaged minority populations need a comprehensive United Nations system-wide response, focusing on: integrated agriculture to promote differentiated crop production, livestock husbandry and forestry; expanded provision of primary health care services; improved access to quality education for children; and the identification of alternative income-generating options and skills development needs;

(c) Human settlements. This will entail improving the living, working, housing and environmental conditions of the urban poor around Yangon and Mandalay. Income-generating activities supporting small and cottage enterprises will be promoted and local-level housing and infrastructure maintenance schemes set up. Housing and living conditions will be improved through community work for flood protection, drainage, general infrastructure development and provision of water supply and sanitation facilities;

(d) Education: Activities in this field will be based on the outcome of the recent Education Sector Study. They will focus primarily on: reform and redefinition of the role of primary education; curriculum reform; improvement of selection and evaluation modalities; improvement of quality of teaching and the linkage of education to life after school; upgrading of available facilities; and enhancement of education-sector management.

Sustainable development of natural resources

17. This area of activities will place particular emphasis on forestry, energy and fuelwood resources, especially at the community level. This theme also addresses the need for strengthening critically needed environmental assessment and management capacities to complement community-level actions. Preserving the environment is central to achieving any development objective and to optimizing performance of grass-roots programmes. This theme will be addressed at two critical levels: (a) strengthening environmental assessment and planning; and (b) developing and implementing replicable agro-forestry practices aimed at sound and sustainable income generation. Strengthening capacity will include the preparation of a National Conservation Strategy as an integral part of a national response to Agenda 21, a national land-use plan to ensure balanced and sustainable use and a management review of the newly created National Commission on Environmental Affairs as the focal point for policymaking, coordination, promotion and management of environmentally sustainable development in Myanmar. At the community level, the programme proposed under this theme will encourage the rational utilization of national forests, the introduction of watershed management practices and the establishment of community fuelwood plantations.

Enabling environment for economic reform

18. This area of programme activities will continue to place emphasis on privatization, small-scale enterprise development and employment generation; and will implement supportive macroeconomic and public administration reform measures that impact livelihood and human development. Prior to Governing Council decision 92/26, and in response to the initial steps towards economic liberalization undertaken by the Government, UNDP supported a series of projects aimed at strengthening the liberalization process and presenting authorities with options and recommendations for economic reform. These projects were considerably curtailed during the review exercise. The evaluation team recommended a resumption of economic reform projects, focusing on the cluster of five projects executed by the International Monetary Fund (IMF). Technical cooperation needs will be identified by the Government and the IMF. In this connection, reliable statistical data will be needed to formulate policy and planning actions. Consistent with the theme of human development, such statistical activities as the agricultural census will be completed and their results used for identifying areas of future development cooperation.

Prevention of HIV/AIDS

19. These activities will be provided in close collaboration with the World Health Organization (WHO) and aimed at building national capacities to fight the epidemic and provide care for persons living with HIV/AIDS. They will also promote outreach programmes which involve the targeted communities through support for innovative projects by NGOs and community-based organizations.

20. The various programmes will be carried out in collaboration with the concerned communities and target beneficiaries. Area development programmes will set up local-level management and implementation arrangements. Wherever possible, local and international NGOs will be involved.

21. Upon Governing Council approval of the release of fifth cycle IPF resources for Myanmar, and in consultation with the Government, the Administrator will personally review and approve new programmes and the resumption, on a selected basis, of activities under successful fifth country programme projects that were curtailed as a result of the financial reallocation review.

22. The fifth cycle IPF (1992-1996) for Myanmar is $93,435,000. In the normal course, leaving aside a 25 per cent unprogrammed reserve, $70,076,000 can be used to formulate programmes with an annual pro rata expenditure of $14,015,000. Based on an annual expenditure rate of $16 million (the level reached in 1991), it is proposed that $40 million be allocated for the 2 1/2-year period, July 1993 to end-1995. The sixth country programme, which could cover from three to five years, will utilize the remaining $30 million of uncommitted fifth cycle resources, plus resources from the sixth cycle IPF. The sixth country programme will be presented to the Governing Council at its forty-second session.

VI. CONCLUSION

23. The Administrator seeks Governing Council approval of the revised programming proposals set out above; authority to use $40 million of fifth cycle IPF resources to carry out UNDP technical cooperation activities in Myanmar; and authority to submit a sixth country programme to the Governing Council at its forty-second session in June 1995.